

---

**MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
SUMMARY OF 1998  
ECONOMIC DEVELOPMENT PROJECTS**

---

**Locality:**                   **Missoula County**

Project Number:   98-09

Name of Company: Nutritional Laboratories International

Financing Date:   8/7/98

CDBG Funds:       \$   265,000

Other Funds:

    IFC               \$   220,000

    Bank            \$   200,000

    Equity (land)   \$   210,000

Total Project       \$   895,000

Job Creation:                   27

LMI Jobs:                       21

Use of CDBG Funds: Expansion

Missoula County was awarded a \$265,000 grant from the Montana Department of Commerce (CDBG) economic development program. The loan of \$260,000 to Nutritional Labs for working capital and equipment will be used to expand their existing manufacturing capacity in Lolo, Montana. Nutritional Laboratories International is a contract manufacturer of dietary supplements. Founded in 1997, the company has 40 employees. After expansion, the company expects to add another 27 employees, 21 of which will be filled by or made available to low and moderate income individuals.

---

**Locality:**                   **Phillips County (RLF)**

Project Number:   98-08

Name of Company: Saco Pay-n-Save Grocery & Meat Shop, Malta Airport Property

Financing Date:   6/24/98

CDBG Funds:       \$   162,000

Other Funds:

    Bank            \$   150,000

    Equity           \$   210,000

Total Project       \$   522,000

Job Retention:                   5

LMI Jobs Retained:               1

Job Creation:       1

LMI Jobs Created:               1

#### Use of CDBG Funds: Renovation and Equipment

Phillips County was awarded a \$162,000 grant from the Montana Department of Commerce CDBG economic development funds. Phillips County will loan \$125,000 to the Saco Pay-n-Save Grocery and Meat Shop for the purchase of equipment and construction materials as part of an expansion into a new building. The funding award also includes a grant of \$25,000 for the environmental assessment of airport property in Malta and \$12,000 for administration of the grant by PhillCo Economic Growth Council, Inc. The grocery and meat shop anticipates retaining the 5 existing jobs and creating 1 new job, which will be filled by or made available to low and moderate income individuals. The grocery store has been in Saco since 1982 and has been a community hub and anchor retail business for this small town and surrounding communities.

---

**Locality:**                    **Fergus County (RLF)**

Project Number:        98-07

Name of Company:    Hi-Heat Industries, Inc.

Financing Date:        6/9/98

CDBG Funds:            \$    112,000

Other Funds:

    CDBG/EDA RLF    \$    200,000

    Bank                \$ 1,200,000

    Equity                \$    126,000

**\$1,638,000**

Job Creation:            15

LMI Jobs:                                15

Use of CDBG Funds: Equipment

Fergus County was awarded a \$312,000 grant from the Montana Department of Commerce economic development funds: \$112,000 of Community Development Block Grant funds and \$200,000 of CDBG/EDA RLF funds. The County will lend \$300,000 to Hi-Heat Industries for the purchase of equipment to expand their manufacturing capacity. Hi-Heat Industries manufactures silicone rubber electrical heaters, which are used as a component in end-products purchased by Sprint, Northern Telcom, and Qualcomm. Special project customers have included Boeing, the U.S. Navy, Continental Airlines, 3-M, and Borden Chemical. This project will create 15 new jobs, all of which will be filled by or made available to low and moderate income persons. The company currently has 30 employees. Loan repayments from the CDBG loan will go into the County's RLF.

---

**Locality:**                    **Yellowstone County RLF**

Project Number:        98-06

Name of Company:    Five County RLF Capacity Building Grant  
                              (Big Horn, Carbon, Stillwater, Sweet Grass, Yellowstone Counties)

Financing Date: 5/4/98

	<u>TOTAL</u>	<u>MTM</u>	<u>ESP Stairs</u>	<u>CDC</u>
DOC Funds:				
CDBG	\$ 400,000	\$ 142,000	\$ 29,000	\$ 181,000
EDA RLF (1999)	\$ 100,000			\$ 100,000
Other Funds:				
Yellowstone Bank/SBA	\$ 100,000	\$ 100,000		
Yellowstone Bank/RD Guar.	\$ 150,000	\$ 150,000		
1 <sup>ST</sup> Interstate Bank	\$ 929,000		\$ 29,000	\$ 900,000
Investor Equity	\$ 1,171,881	\$ 571,881		\$ 600,000
RC&D	\$ 46,501			\$ 35,000
Yellowstone County	\$ 2,000			
Total Project	<u>\$ 2,035,382</u>	<u>\$ 963,881</u>	<u>\$ 58,000</u>	<u>\$ 1,816,000</u>
Job Creation:	27.5	12	1.5	14
LMI Jobs:	23.5	12	1.5	10
Use of CDBG Funds: Expansion and Equipment				

Yellowstone County was awarded a \$400,000 Community Development Block Grant that will fund a new five-county RLF for lending money to spur local business development. The five counties included in the regional RLF are Big Horn, Carbon, Stillwater, Sweet Grass and Yellowstone Counties. Beartooth RC&D of Joliet will manage the new RLF. \$48,000 is allocated to administer the projects.

#### **Montana Territory Meats (MTM):**

The first to receive a loan will be Montana Territory Meats (MTM) located in Laurel. The \$142,000 loan will be used to purchase state-of-the-art processing and packaging equipment for remodeling and expanding the former slaughterhouse. MTM specializes in the processing and niche marketing of smoked and cured beef and pork products. This project will create 12 new jobs, all of which will be filled by or made available to low and moderate income persons.

#### **ESP Stairs:**

ESP Stairs was awarded \$29,000 in economic development funds from the Montana Department of Commerce. The county will loan \$29,000 to ESP Stairs, a manufacturer of custom stairs and stair parts located in Big Timber. It is anticipated that 1.5 jobs will be created as a result of this project which will be made available to low to moderate income individuals.

#### **Cattle Development Center (CDC):**

Yellowstone County was awarded \$181,000 in economic development funds from the Montana Department of Commerce. The county will loan \$181,000 to the Cattle Development Center (CDC), a commercial cattle-feeding facility to be located near Custer, Montana. CDC will

provide regional cattle producers with an option for contract feeding within Montana rather than having to ship cattle outside the state as is currently done. Funding will be used for machinery, equipment and working capital to start up the operation. It is anticipated that the project will create 14 jobs, 10 of which will be filled by or made available to individuals from low to moderate income.

---

**Locality:** Flathead County (RLF)  
Project Number: 98-05  
Name of Company: Connector Technology, Inc. (CTI)  
Financing Date: 5/1/98

CDBG Funds: \$ 399,600  
Other Funds:  
Bank: \$ 650,000  
Owner: \$ 471,123  
Total Project: \$ 1,520,723  
Job Creation: 25  
LMI Jobs: 19  
Use of CDBG Funds: Working Capital

Flathead County was awarded a \$399,600 Community Development Block Grant, \$370,000 of which will be lent to CTI for the new wire harness manufacturing division it is building near Kalispell. The funds will be used for working capital and equipment. CTI, a New Jersey-based company, is a national distributor of electrical connector components. Montana was selected as the site because of the state's proximity to west coast markets. CTI will be creating 25 new jobs, 19 of which will be filled by or made available to low and moderate income persons. Loan repayments will go into the local RLF, which is managed by the Northwest Montana Human Resources, Inc. (NMHR), dba Northwest Business Center.

---

**Locality:** Gallatin County (RLF)  
Project Number: 98-04  
Name of Company: Big Sky Carvers  
Financing Date: 5/1/98

CDBG Funds: \$ 274,975  
Other Funds:  
Bank: \$ 255,000  
County: \$ 107,912  
Owner: \$ 90,000  
Total Project: \$ 727,887  
Job Creation: 24  
LMI Jobs: 18

## Use of CDBG Funds: Working Capital and Equipment

Gallatin County was awarded \$274,975 in Community Development Block Grant funds. \$255,000 of the funds will be loaned to Big Sky Carvers for the expansion of its manufacturing facility in Manhattan. Big Sky Carvers is one of the leading U.S. manufacturers of wooden carved and hand-painted decoys, wildlife carvings, and other collectible gifts with ? outdoor? lifestyle themes. Twenty-four new manufacturing and office jobs will result from the expansion. Eighteen of the jobs will be filled by or made available to low and moderate-income persons. Loan repayments will go into the County? s revolving loan fund.

---

### **Locality: Sanders County RLF**

Project Number: 98-03

Name of Company: RLF Capacity Building Grant/Sanders County

Financing Date: 5/1/98

	<u>TOTAL</u>	<u>TFMC</u>
CDBG Funds:	\$ 400,000	\$ 273,000
Other Funds:		
Bank	\$ 404,169	\$ 324,169
Owner/Equity	<u>\$ 55,000</u>	<u>\$ 23,000</u>
Total Project:	<u>\$ 859,169</u>	<u>\$ 620,169</u>
Job Creation:		8
LMI Jobs:		7

Use of CDBG Funds: Working Capital and Equipment

Sanders County was awarded a \$400,000 Community Development Block Grant that will provide funds for the new County Capacity Building RLF that in turn will lend money to local businesses. Montana Community Development Corporation (MCDC) of Missoula will manage the RLF for the County.

### **Thompson Falls Medical Clinic (TFMC):**

The first business to receive a loan will be Clark Fork Valley Hospital of Plains. The hospital will use the \$273,000 loan for working capital and equipment for the new medical clinic it is building in Thompson Falls. The hospital will own and operate the new clinic. The Thompson Falls Medical Clinic has outgrown its current location in a remodeled house. The Clinic provides primary health care, physical therapy, X-ray services, and referrals to the Clark Fork Valley Hospital and out-of-the-area specialists. This project will create 8 new jobs, 7 of which will be filled by or made available to low and moderate income persons.

---

---

**Locality: Anaconda-Deer Lodge County (RLF)**

Project Number: 98-02  
Name of Company: Community Services Center  
Financing Date: 4/22/98

CDBG Funds: \$ 141,200  
Other Funds:  
EDA: \$ 256,800  
ALDC: \$ 48,500  
Other: \$ 1,500  
Total Project: \$ 448,000  
Job Creation: 12  
LMI Jobs: 12  
Use of CDBG Funds: Renovation

Anaconda-Deer Lodge County was awarded a \$141,200 Community Development Block Grant, \$131,200 of which will be loaned to the Anaconda Local Development Corporation to renovate the third floor of the Community Services Center Building. The renovation of approximately 8,500 square feet will enable the community to meet the need for additional office and meeting spaces. The initial renovation of the first and second floors was completed in 1995. Twelve new jobs will be created by the project, twelve of which will benefit low to moderate income persons. Loan repayments will be committed to Anaconda-Deer Lodge County's TIFD.

---

**Chinook (RLF)**

Project Number: 98-01  
Name of Company: Sweet Memorial Nursing Home (SMNH)  
Financing Date: 4/22/98

CDBG Funds: \$ 344,500  
Other Funds:  
Bank: \$ 300,000  
SMNH/Owner: \$ 250,000  
Existing CDBG: \$ 86,000  
Triangle Tele: \$ 300,000  
Total Project: \$ 1,280,500  
Job Creation: 5  
LMI Jobs: 4  
Job Retention: 50  
LMI Jobs Retained: 26  
Use of CDBG Funds: Renovation

The City of Chinook was awarded a \$334,500 Community Development Block Grant that will

be used for remodeling and updating the facility. Sweet Memorial Nursing Home anticipates completing the project in May 1999. Five new jobs will be created, 4 of which will benefit low and moderate income persons. In addition, 50 full and part-time jobs will be retained. Loan repayments will go into the regional RLF managed by Bear Paw Development Corporation of Havre. The regional RLF covers Blaine, Chouteau, Hill and Liberty counties.

---